

Chapter 10 Section 2

By: Brian Sloan, Josh Markham, Sebastian
Davis

Overview of the section

- Create and Improve Products
 - Plan marketing research
 - Types of research studies
- Product Planning
 - Parts of a product
 - Product planning procedures
- Services



Create and Improve Products

- When companies introduce a "new" product they are just a new improvement of the old product.
- Really new successful inventions are hard to come by because so many things have been invented already.
- A lot of product ideas come from the consumers and make the new products.



Plan Marketing Research

Steps in marketing research

1. Define the marketing problem
2. Study the situation
3. Develop a data collection procedure
4. Gather and analyze information
5. Propose a solution



Types of Research

Surveys- gather information from people with a set of questions.

Focus groups- a small group of consumers take part in a group discussion about products.

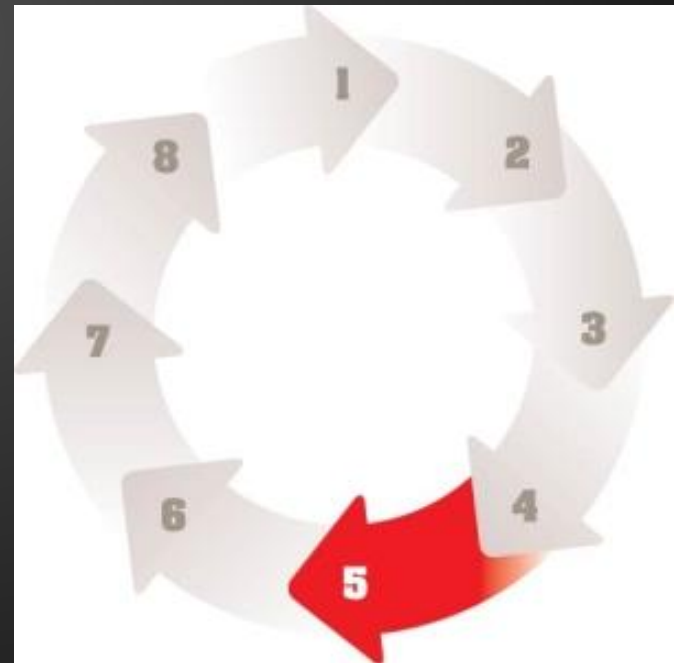
Observations- collect information by recording the actions of consumers rather than asking them questions

Experiments- presents two carefully controlled alternatives to subjects in order to determine which is preferred or better.



Product planning

-A company must be able to plan the product so that it can meet the needs of the target audience they are trying to reach.



Parts of the product planning

1. It first starts with the basic product, which is the most simple form of the product.
2. Next most of the product features are added to the product.
3. Then a good idea to have is to have product options on the product.
4. Then once all of that is done you should have a good packing line of your product.
5. Lastly the most important thing to have on a new product is a warranty or guarantee. The company will replace or fix the product if you are not satisfied with the product.



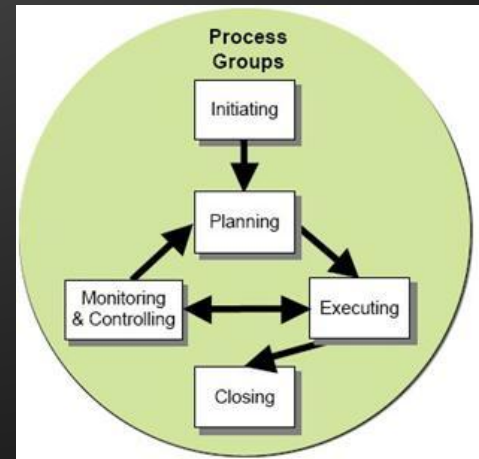
Product Planning Procedure

1. The first step in product planning is developing the idea, where companies can get the idea for a new product virtually anywhere. Some of these places can be focus groups, surveys etc.
2. The next part is idea screening. This is where people get rid of dumb ideas that a customer would not want based on surveys and demand for the items that they want.
3. Then strategy development comes into play because that is where a full marketing strategy comes into play because this is where the company decides who to market the product to.



Product Planning Procedure (Continued)

4. Product and financial planning comes next and this comes to where how much the product will cost and how expensive it will be.
5. Limited production and Test Marketing is a test of how the product will do in a certain part of the country. If it is successful then it will move into full scale production.
6. Full Scale production is when the company will sell a lot of the products to other retailers and they will sell it to those retailers.



Services

- Services are intangible which means they are harder to give a rating to because they can not be examined.
- A good effective way to market your product is using a two-step marketing strategy.
- First they develop a marketing mix that appeals to most of the market. They then show what the service does and what they offer to the customer.
- Services are also perishable, meaning the availability of a service must match the demand for the service.
- They are also heterogeneous which means they are different because every service is unique.



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